INCOMING TELEGRAM *Department of State*

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FROM: ACCRA

TO: Secretary of State

NO: 454, DECEMBER 16, 4 PM.

EMBASSY TELEGRAM 453.

PRIME MINISTER MUCH PLEASED WITH OUTCOME OF MEETINGS HERE THIS WEEK WITH CALHOUN AND OTHER KAISER CORPORATION OFFICIALS. CONSIDERABLE PROGRESS MADE ON VOLTA RIVER PROJECT. PRIME MINISTER TOLD CALHOUN GO GHANA ALONE WOULD FINANCE DAM SHOULD THAT BE ONLY WAY PROVIDE POWER FOR VOLTA ALUMINUM COMPANY NOW BEING FORMED HERE WHICH TENTATIVELY INTENDS TO BUILD AND OPERATE SMELTER. THIS NEW COMPANY IS CONSORTIUM OF KAISER, REYNOLDS, ALCOA, ALCAN AND OLIN MATHIESON AND WILL BE KNOWN AS VALCO."

AT THIS TIME GO GHANA HAS SIGNED TWO ADDITIONAL CONTRACTS WITH KAISER ENGINEERS FOR IMMEDIATE IMPLEMENTATION. ONE COVERS NEW ENGINEERING DESIGN WORK AT COST OF ONE MILLON SIX HUNDRED THOUSAND DOLLARS. OTHER ONE IS FOR ADDITIONAL CONSTRUCTION AT DAM SITE AND CERTAIN EQUIPMENT SUCH AS DREDGERS AMOUNTING TO FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS. ADDED TO OLD CONTRACT FOR PRELIMINARY WORK, THIS BRINGS TOTAL CONTRACTS WITH KAISER CORPORATION TO NINE MILLION SIX HUNDRED THOUSAND DOLLARS, ALL OF WHICH IS BEING FINANCED BY GO GHANA ITSELF.

FLAKE

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